

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

December 5, 1950

1.956 Information TMQ-17

A2R11 Cigar Tobacco Marketing Quota Referendum 1950

Radio Script

Cap 2
Subject: Marketing Quota Referendum -- Cigar-filler and cigar-binder tobaccos.

Time: Approximately 13:00 minutes

Participation: Announcer and PMA Committeeman

Suggested Use: Feature spot in regular farm program, or together with other material on a special program. This script will be most effective if used day before the referendum.

(Use regular program opening, or something like the following.)

ANNOUNCER: Wednesday's (tomorrow's) the day! That's right! If you grow cigar tobacco, you'd better take heed, because Wednesday's (tomorrow's) the day the decision will be made on whether a marketing program is to be instituted in 1951 for cigar-filler and cigar-binder tobaccos. Who's going to make the decision? . . . You are! That is, you and your fellow tobacco growers. You know as well as I do what I'm talking about. It's the marketing quota referendum. We just want to be sure you don't forget it. Because the question is going to be decided by those who do vote on Wednesday. Now here is Mr. _____, chairman of the county committee of the Production and Marketing Administration which is conducting the referendum here in _____ County. Mr. _____ is here to summarize the issues at stake in the voting, and to give us some important information about the referendum. Mr. _____, how does it happen that we're voting on marketing quotas for cigar tobacco this year?

PMA: Well, _____, . . . The year doesn't really have much to do with it. You see, marketing quotas are authorized under the Agricultural Adjustment Act of 1938, as amended. Under that legislative authority, farmers who grow flue-cured and burley tobaccos have been using marketing quotas ever since the Act was passed, except for 1939, and quotas for the dark tobaccos also have been in effect during most of this period. Quotas were first proclaimed for Virginia sun-cured tobacco last year, and were approved by growers for the 1950, 1951, and 1952 crops.

ANNOUNCER: But quotas never before have been in effect for the cigar tobaccos . . . ?

PMA: That's right, _____. The Act provides a formula that determines when quotas are to be proclaimed for a kind of tobacco. Whenever the Secretary of Agriculture finds that the total supply of a kind of tobacco as of the beginning of the marketing year is in excess of what is known as the "reserve supply level," he is required to proclaim marketing quotas for the next crop of that kind of tobacco.

ANNCR: I believe you told us in a previous program that the reserve supply level represents an amount of a kind of tobacco equal to between a two and one-half and a three-year's supply.

PMA: Yes, , that's just about right. Actually the Act defines the reserve supply level in terms of domestic consumption, exports, carryover and reserve. What it really amounts to is a supply large enough to abundantly provide for both domestic and foreign needs plus a normal carry-over and an additional allowance for a reserve against emergencies.

ANNCR: So if the total supply of a kind of tobacco as of the beginning of a marketing year turns out to be larger than this reserve supply level, then marketing quotas are proclaimed for the next year's crop.

PMA: And in the case of the cigar-filler and cigar-binder tobaccos, this is the first year that the total supply has exceeded the reserve supply level. Hence the marketing quota proclamation.

ANNCR: But the quotas won't go into effect unless growers want them . . .

PMA: That's right, and that's the reason for the grower-referendum on Wednesday (tomorrow).

ANNCR: How did cigar tobacco happen to get into a quota position this year, Mr. ?

PMA: I think I can answer that question in one sentence: The total supply as of October 1 is the highest since 1942, and the disappearance in 1949 was the lowest in many years.

ANNCR: In other words, supplies are at a high level, and consumption has been going down. . .

PMA: That's exactly what's happened, . We've had larger total supplies before, but the disappearance in 1949 was only about two-thirds of what it was in 1940, for instance, when supplies were greater than they are now.

ANNCR: Just what types of tobacco are covered in the referendum on Wednesday (tomorrow)?

PMA: Growers of all the cigar-filler and cigar-binder tobaccos will be voting on quotas, . But this doesn't include the shade-grown wrappers, because they aren't covered in the legislation. And Pennsylvania filler, Type 41, is defined as a separate kind of tobacco, so a separate referendum is being held for Type 41, and the results will be determined independently from our referendum.

ANNCR: Then there are really two referendums Wednesday (tomorrow).

PMA: That's right. The votes that our farmers cast will be counted along with those of the farmers in the other producing areas who grow one or more of the Types 42 through 45 and 51 through 55.

ANNCR: I see . . . Now I think most of our tobacco growers know that the ballot they will mark on Wednesday (tomorrow) will have three choices on it: "for" quotas for three years beginning with 1951; "for" quotas for 1951 only, and "against" quotas. That's simple enough. But what they need to know before they decide how to vote is the significance of each alternative.

PMA: To simplify our discussion a little, let's forget, for the moment, the one and three-year options. Let's just consider what happens if quotas are adopted, and if they are not adopted. Then we'll touch on the one- and three-year options later.

ANNCR: It's all right with me. Where do we start?

PMA: First, let me make it clear that the way an individual votes only affects his tobacco farming operations to the extent that his vote contributes to the outcome of the referendum. Voting is by secret ballot. We want every tobacco grower in _____ County to understand this because we want them to make a free choice, and to vote their convictions without fear of any possible discrimination.

ANNCR: That's a good point.

PMA: Now let's assume that quotas are approved in Wednesday's (tomorrow's) referendum . . . First of all, each tobacco grower who harvests tobacco in 1951 from an acreage no greater than the acreage allotment established for his farm may market all of his 1951-crop tobacco exactly as he has done in the past. He will receive what we call a "within quota" marketing card -- white in color -- which merely indicates that he is cooperating in the marketing quota program. He must account for the disposition of all of his tobacco.

ANNCR: But what about the fellow who harvests tobacco from an acreage greater than his farm acreage allotment?

PMA: This fellow can still market all of the tobacco he produces in 1951. But he will be subject to a marketing penalty on each lot he sells. Actually, the penalty is calculated on the basis of the excess production. But it is prorated so that a proportionate part of it is paid on each lot.

ANNCR: Does the fellow who harvests more than his quota also get a marketing card?

PMA: Yes, he does, _____. It is called an "excess" card, and is red in color. It shows the percentage of excess and the rate of penalty that has been determined on the basis of the percentage of excess.

ANNCR: Who collects the penalty?

PMA: The buyer collects the penalty, _____. Or actually, he deducts it from the proceeds of the sale, and remits it to the county PMA committee for deposit in the Treasury of the United States.

ANNCR: That's clear enough. If a farmer does not exceed his farm acreage allotment, he sells his tobacco just as he has done in the past. If he does harvest more than his quota, he still markets his tobacco as he has done before, but is subject to a marketing penalty. Now, what if quotas are not approved in Wednesday's (tomorrow's) referendum?

PMA: Things will go along next year much as they have before. Each farmer will be able to grow as much tobacco as he wishes and market it for whatever price it will bring. But speaking of the price of tobacco, there is another very important issue at stake that doesn't show on the referendum ballot.

ANNCR: What's that, Mr. _____?

PMA: Federal price support for the 1951 crop of cigar-filler and cigar-binder tobaccos. The Agricultural Act of 1949 specifies that when marketing quotas are in effect for a kind of tobacco, the price support level to cooperators shall be 90 percent of the parity price as of the beginning of the marketing year.

ANNCR: But what if quotas are not in effect?

PMA: For a crop of a kind of tobacco for which marketing quotas have not been proclaimed, the minimum price support level is determined by the so-called sliding scale in the Act, and may be between 75 and 90 percent of parity. That's the way the price support level for the 1950 crop is determined. And, by the way, the outcome of Wednesday's (tomorrow's) referendum will have no effect on price support for the 1950 crop. But, the Act specifies that price support shall not be made available for a crop of a kind of tobacco for which marketing quotas have been disapproved by growers.

ANNCR: Say . . . that's an important item to consider, isn't it?

PMA: It certainly is, _____. Naturally, we can't say now how important price support will be when the 1951 crop of tobacco is ready for market. Which simply means that each grower will have to draw his own conclusions. But I hope that every grower will be aware of the price support provisions when he casts his ballot.

ANNCR: Now what about price-support eligibility when quotas are in effect . . . obviously we don't have to worry about this question if quotas are not approved, because there won't be any price support.

PMA: Cooperators in the marketing quota program -- those growers who do not exceed their farm acreage allotments -- will be eligible for price support at 90 percent of parity on all the 1951-crop tobacco they produce. Non-cooperators -- those who harvest tobacco from an acreage larger than their farm acreage allotments -- will not be entitled to price support on any of their 1951-crop tobacco.

ANNCR: This is a provision of the law too, is it not?

PMA: That's right.

ANNCR: Now, what about the one and three year options?

PMA: If two-thirds or more of the votes cast in Wednesday's (tomorrow's) referendum favor quotas for three years, the program will be instituted beginning with the 1951 crop, and will be continued in 1952 and 1953 unless suspended by the Secretary of Agriculture under terms of an emergency provision in the Act, or unless later amendments would materially affect the size of farm acreage allotments before the end of the three-year period. In this latter case another referendum would be held. If less than two-thirds favor quotas for three years, but the sum of the votes for three-year quotas and one-year quotas amounts to at least two-thirds of the votes cast, the program will be in effect in 1951, and another referendum will be held next fall.

ANNCR: Then if more than one-third of the votes are against quotas, the program will not go into effect?

PMA: That's the way it is, . Under terms of the Act, another referendum will be held next fall if quotas are not approved in this referendum.

ANNCR: I think that clarifies the issues at stake in this referendum about as well as they can be stated. Now Mr. , do you have any last minute instructions for voters?

PMA: (NOTE: If there have been any changes in announced plans, this is a good place to mention them.)

Only some reminders, . Each eligible voter is expected to vote at the polling place that serves his community. If there is any person who doesn't know where to vote, he should contact either his community PMA committeeman or the county PMA office. I hope that persons driving to the polls will check with their neighbors to make sure they have transportation. The polls will be open on Wednesday (tomorrow) from in the morning to in the evening. Vote when it is convenient for you. But if you can vote early, it will help those who can't get away until evening. Once again, I'd like to say -- on behalf of the county PMA committee -- that we hope every eligible voter will exercise his right to vote in this referendum. The outcome of the referendum will affect every person who is engaged in the production of cigar-filler and cigar-binder tobaccos whether or not he casts his ballot. I'm not going to dwell on the importance of a single vote as a possible determining factor in the outcome of this referendum. The really important thing is that this question is being decided by votes. There's not much danger of losing democracy here in America so long as questions like this are decided by ballots. You can make your voice heard by going to your polling place on Wednesday (tomorrow) and voting your convictions. Vote as you wish, but vote!

ANNCR: Thank you, Mr. . Ladies and gentlemen, this has been the last program in our series on the tobacco marketing quota referendum to be held Wednesday (tomorrow). Radio Station wants to add its voice to that of your county PMA committee in urging all tobacco growers in County to vote in the referendum. It has been a distinct pleasure to have Mr. , chairman of the county PMA committee with us today,

(over)

ANNCR: and for our previous programs in this series, and we wish to extend our
(cont.) sincere thanks for his splendid explanation of the issues to be decided
in the marketing quota referendum.

PMA: And the county Production and Marketing Administration committee
wishes to thank radio station _____, and you, (announcer), for your
excellent cooperation in helping us to bring the facts about marketing
quotas and the referendum to the people of _____ County.

